

**BOARD OF PATENT APPEALS AND INTERFERENCES  
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicants : Lutnick, et al.  
Application No. : 10/615,721 Confirmation No. : 9421  
Filed : July 8, 2003  
Title : SYSTEMS AND METHODS FOR IMPROVING THE LIQUIDITY AND DISTRIBUTION NETWORK FOR ILLIQUID ITEMS  
Group Art Unit : 3629  
Examiner : Zecher, Michael R.

Mail Stop Appeal Brief-Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

**APPEAL BRIEF  
AND  
PETITION FOR EXTENSION OF TIME**

Sir:

This an appeal from the decision of Examiner, Zecher, Michael R, Group Art Unit 3629, in the final Office Action of May 22, 2008, rejecting pending claims **65-74** and **88-97**. A Notice of Appeal was filed August 22, 2008.

Applicants request herewith a 4 month extension of time, which extends the time for filing this paper to February 23, 2009. The Director is hereby authorized to charge any fee which may be required or credit any overpayment to Deposit Account No. 50-3938.

**I. REAL PARTY IN INTEREST**

The real party in interest of the present application is BGC, Inc. (formerly eSpeed, Inc.), which is a public company incorporated under the laws of Delaware, which has an office at 110 East 59<sup>th</sup> Street, New York, NY 10022.

**II. RELATED APPEALS AND INTERFERENCES**

There are no known related appeals or interferences.

**III. STATUS OF CLAIMS**

The following claims are pending and stand rejected in the present application:

- Independent claims **65** and **88**.
- Dependent claims **66-74** and **89-97**.

The following claims are being appealed:

- Independent claims **65** and **88**.
- Dependent claims **66-74** and **89-97**.

The following claims have been cancelled:

- claims **1-64** and **75-87**.

**IV. STATUS OF AMENDMENTS**

No amendments have been filed after the Final Office Action dated May 22, 2008.

## V. SUMMARY OF CLAIMED SUBJECT MATTER

The presently claimed invention(s) generally relate to methods and computer systems for executing trades on financial instruments.

Specifically, the method of independent claim **65** includes capturing market data for a plurality of companies. (Page 2, lines 24-30; page 5, lines 18-19). The plurality of companies have been identified for the intellectual property index from a group of companies based at least on intellectual property asset data for the group of companies. (Page 10, lines 13-19; page 4, line 14-page 5, line 11). Thereafter, an intellectual property index is calculated based at least on the market data for these companies (Page 2, lines 24-30; page 5, lines 10-14). A plurality of orders for at least one derivative financial instrument may thereafter be received and executed. (Page 4, lines 16-19). The derivative financial instrument includes at least one term associated with the intellectual property index. (Page 9, lines 20-30)

In the method of dependent claim **68**, which depends on claim 65, the plurality of companies are identified for the intellectual property index based on at least on a value associated with an intellectual property asset portfolio for each of the plurality of companies. (Page 5, lines 1-12)

In the method of dependent claim **69**, which depends on claim 68, each of the intellectual property asset portfolios of the companies identified include at least one patent. In this instance, the plurality of companies are identified for the intellectual property index based at least on a number of citations to the companies patent or patents by a national patent office. (Page 5, lines 1-5)

In the method of dependent claim **70**, which depends on claim 68, each of the intellectual property asset portfolios of the companies identified include at least one patent. In this instance, the plurality of companies are identified for the intellectual property index based at least on a number of patents issued to the company by a national patent office. (Page 5, lines 1-6)

In the method of dependent claim **71**, which depends on claim 68, each of the intellectual property asset portfolios of the companies identified include at least one patent. In

this instance, the plurality of companies are identified for the intellectual property index based at least on the age of the at least one patent. (Page 5, lines 1-10)

Claim **88** is directed to a system that includes at least one computing device having software associated therewith that when executes causes the computing device to perform the method of claim 65. (Page 6, lines 3-10).

Claim **91** is directed to a system that includes at least one computing device having software associated therewith that when executes causes the computing device to perform the method of claim 68. (Page 6, lines 3-10)

Claim **92** is directed to a system that includes at least one computing device having software associated therewith that when executes causes the computing device to perform the method of claim 69. (Page 6, lines 3-10)

Claim **93** is directed to a system that includes at least one computing device having software associated therewith that when executes causes the computing device to perform the method of claim 70. (Page 6, lines 3-10)

Claim **94** is directed to a system that includes at least one computing device having software associated therewith that when executes causes the computing device to perform the method of claim 71. (Page 6, lines 3-10)

## VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The grounds for rejection to be reviewed on appeal: Whether claims **65-74** and **88-97** are unpatentable under 35 U.S.C. §102(b) as being anticipated by Kossovsky et al. (U.S. Patent Pub. No. 2002/0004775)?

## VII. ARGUMENT

### A. Rejections under 35 U.S.C. § 102

Claims **65-74** and **88-97** were rejected under 35 U.S.C. §102(b) as being anticipated by U.S. Patent Pub. No. 2002/0004775 (hereinafter ‘Kossovsky’).

#### 1. Legal Standard – Prima Facie Showing.

If examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the applicant is entitled to grant of the patent. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). The initial burden of presenting a *prima facie* case is upon the examiner. *In re Oetiker*, 977 F.2d at 1445. If the examiner fails to establish a *prima facie* case, the rejection is improper and will be overturned. *In re Rijckaert*, 9 F.3d 1531, 1532 (Fed. Cir. 1993); *Novamedix Distrib. Ltd. v. Dickinson*, 175 F. Supp. 2d 8, 9 (D.D.C. 2001).

#### 2. Legal Standard - Anticipation

“A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” MPEP 2131 citing *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). Moreover, “the identical invention must be shown in as complete detail as is contained in the ... claim.” MPEP 2131 citing *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

#### 3. First Group: Claims 65 and 88 - No Prima Facie Showing of Anticipation.

- a. **Kossovsky does not disclose all of the limitations of claims 65 and 88.**

The Examiner asserts that the features of claim 65 are disclosed by Kossovsky at paragraphs: 93, 10 and 109; 11; 199; and 128 and 136, respectively. The Examiner is mistaken as follows:

Claim **65** recites “each of the plurality of companies identified from a group of companies based at least on intellectual property asset data for the group of companies.” That is, companies are identified, in order to calculate the intellectual property index later in the process, from a group of companies based at least on intellectual property asset data for the group of companies. For example, a subset (the plurality) of companies listed on the NYSE (the group of companies) may be identified in accordance with claim 65 based on a limit requiring that the subset companies own at least a certain number issued patents (the intellectual property asset data for the group of companies). The Examiner asserts that Kossovsky teaches this feature at paragraphs 10 and 109. The Examiner is mistaken. At paragraph 10 Kossovsky generally discusses valuating IP assets based on call option theory using information regarding IP assets and other data from similarly situated publicly traded companies. At paragraph 109 Kossovsky discusses the process of valuating, i.e. pricing, the IP assets in greater detail. Kossovsky does not identify a discrete set of companies from a larger group as claimed based on IP asset data or otherwise.

Claim **65** further recites “receiving a plurality of order for at least one derivative financial instrument that comprises at least one term associated with the intellectual property index; and executing a trade for the at least one derivative financial instrument.” The Examiner asserts that Kossovsky teaches this feature at paragraphs 128 and 138. The Examiner is mistaken. At paragraphs 128 and 138 and the paragraphs thereafter Kossovsky discusses the details of the options, noting that options are contractual rights to purchase or sell a patent listing technology from or to its owner, respectively. With regard to call options, the terms include an exercise price that is “normally equal to a comparable license fee.” With regard to put options, the terms include an exercise price “that would be a function of the purchase price of the patent.” In either event, the item underlying the Kossovsky options is the actual patent, not the IP index. Therefore, the Kossovsky options do not include at least one term associated with the IP index, as recited in claim 65.

Independent claim **88** includes similar features as that of claim 65 and is therefore patentable over Kossovsky for the same reason.

Accordingly, the rejection of claims **65** and **88** under 35 U.S.C. § 102, is improper.

**4. Fifth Group: Claims 68 and 91 - No Prima Facie Showing of Anticipation.**

**SEPARATE ARGUMENT OF PATENTABILITY**

a. **Kossovsky does not disclose all of the limitations of claims 68 and 91.**

Claim **68** recites “wherein the plurality of companies are identified based at least on a value associated with an intellectual property asset portfolio for each of the plurality of companies.” That is, the companies are identified, in order to calculate the intellectual property index later in the process, from a group of companies based at least on a value associated with an intellectual property asset portfolio of each of the companies. The Examiner asserts that Kossovsky discloses this feature at claim 4. The Examiner is mistaken. Claim 4 generally provides that the valuation of claim 1 will further be bases on the “enterprise value of companies in a same technology classification as the intellectual property index.” The enterprise value is not associated with the intellectual property asset portfolio as in claim 68. Rather, the enterprise value is associated with the worth of the company. Moreover, this “enterprise value” is not used to identify the companies in order to calculate the IP index later in the process. Kossovsky only determines the value of an IP asset based on this information.

Claim **91** includes similar features as that of claim 68 and is therefore patentable over Kossovsky for the same reason.

Accordingly, the rejection of claim **68** and **91** under 35 U.S.C. § 102, is improper.

**5. Sixth Group: Claims 69 and 92 - No Prima Facie Showing of Anticipation.**

**SEPARATE ARGUMENT OF PATENTABILITY**

- a. **Kossovsky does not disclose all of the limitations of claims 69 and 92.**

With regard to claim **69**, the value associated with the intellectual property asset portfolio of claim 68 is “a number of citations to the at least one patent” included in the IP portfolio of the companies “by a national patent office.” The plurality of companies used to compute the IP index are therefore identified from the group of companies based on the number of citations to the patent or patents in the company’s portfolio. The Examiner asserts that Kossovsky teaches this feature at Fig. 18A. There is nothing in Fig. 18A or the related disclosure that can even reasonably be interpreted as this variable. Fig. 18 merely depicts a screen for entering general information regarding a patent, which does not include the claimed number of citations.

Claim **92** includes similar features as that of claim 68 and is therefore patentable over Kossovsky for the same reason.

Accordingly, the rejection of claims **69** and **92** under 35 U.S.C. § 102, is improper.

**6. Sixth Group: Claims 70 and 93 - No Prima Facie Showing of Anticipation.**

**SEPARATE ARGUMENT OF PATENTABILITY**

- a. **Kossovsky does not disclose all of the limitations of claims 70 and 93.**

With regard to claim **70**, the value associated with the intellectual property asset portfolio of claim 68 is “a number of patents issued to the company by a national patent office.” The plurality of companies used to compute the IP index are therefore identified from the group of companies based on the number of patents issued to the company. The Examiner asserts that Kossovsky teaches this feature at Fig. 18A and paragraph 132. The Examiner is mistaken.

There is nothing in Fig. 18A or the related disclosure that can even reasonably be interpreted as the number of patents issued by a national patent office. Moreover, at paragraph 132 Kossovsky discusses the benefits to the party that issues an option, which has nothing to do with the number of patents issued to a company.

Claim **93** includes similar features as that of claim 68 and is therefore patentable over Kossovsky for the same reason.

Accordingly, the rejection of claims **70** and **93** under 35 U.S.C. § 102, is improper.

**7. Sixth Group: Claims 71 and 94 - No Prima Facie Showing of Anticipation.**

**SEPARATE ARGUMENT OF PATENTABILITY**

- a. **Kossovsky does not disclose all of the limitations of claims 71 and 94.**

With regard to claim **71**, the value associated with the intellectual property asset portfolio of claim 68 is “the age of the at least one patent” in the IP portfolio. The plurality of companies used to compute the IP index are therefore identified from the group of companies based on the age of at least one of the patents held by the company. The Examiner asserts that Kossovsky teaches this feature at paragraph 94. The Examiner is mistaken. At paragraph 94 Kossovsky generally notes that the valuation of the IP asset generally takes account the remaining term of a central patent of the IP asset being offered. This remaining term is not used to identify companies for the IP index in accordance with claim 71.

Claim **94** includes similar features as that of claim 71 and is therefore patentable over Kossovsky for the same reason.

Accordingly, the rejection of claims **71** and **94** under 35 U.S.C. § 102, is improper.

## VIII. CONCLUSION

In view of the foregoing, Appellants submit that all of the pending claims are in proper condition for allowance, and the Board is respectfully requested to overturn the Examiner's rejection of these claims.

Respectfully submitted,

/Antonio Papageorgiou/

February 23, 2009

Date

---

Antonio Papageorgiou  
Reg. No. 53,431  
Attorney for Appellants  
Cantor Fitzgerald LP  
110 East 59<sup>TH</sup> Street  
New York, NY 10022  
212-829-5407

## IX. CLAIMS APPENDIX

1-64. (Cancelled)

65. (previously presented) A method comprising:  
capturing market data for a plurality of companies, each of the plurality of  
companies identified from a group of companies based at least on intellectual property asset data  
for the group of companies;

calculating an intellectual property index based at least on the market data for the  
plurality of companies;

receiving a plurality of order for at least one derivative financial instrument that  
comprises at least one term associated with the intellectual property index; and

executing a trade for the at least one derivative financial instrument.

66. (previously presented) The method of claim 65, wherein the group  
of companies comprises a plurality of companies in substantially the same industry.

67. (previously presented) The method of claim 65, wherein the group  
of companies comprises a plurality of companies having a particular market capitalization.

68. (previously presented) The method of claim 65, wherein the  
plurality of companies are identified based at least on a value associated with an intellectual  
property asset portfolio for each of the plurality of companies.

69. (previously presented) The method of claim 68, wherein each of the  
intellectual property asset portfolios comprises at least one patent and wherein the value  
associated with each portfolio is based at least on a number of citations to the at least one patent  
by a national patent office.

70. (previously presented) The method of claim 68, wherein each of the  
intellectual property asset portfolios comprises at least one patent and wherein the value

associated with each portfolio is based at least on a number of patents issued to the company by a national patent office.

71. (previously presented) The method of claim 68, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on the age of the at least one patent.

72. (previously presented) The method of claim 68, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on litigation results associated with the at least one patent.

73. (previously presented) The method of claim 68, wherein the value associated with an intellectual property asset portfolio is determined based on at least one of licensing contracts and revenues.

74. (previously presented) The method of claim 65, wherein the market data comprises a stock price for each of the plurality of companies.

75-87. (Cancelled)

88. (previously presented) A system comprising at least one computing device having software associated therewith that when executes performs a method comprising:  
capturing market data for a plurality of companies, each of the plurality of companies identified from a group of companies based at least on intellectual property asset data for the group of companies;

calculating an intellectual property index based at least on the market data for the plurality of companies;

receiving a plurality of order for at least one derivative financial instrument that comprises at least one term associated with the intellectual property index; and

executing a trade for the at least one derivative financial instrument.

89. (previously presented) The system of claim 88, wherein the group of companies comprises a plurality of companies in substantially the same industry.

90. (previously presented) The system of claim 88, wherein the group of companies comprises a plurality of companies having a particular market capitalization.

91. (previously presented) The system of claim 88, wherein the plurality of companies are identified based at least on a value associated with an intellectual property asset portfolio for each of the plurality of companies.

92. (previously presented) The system of claim 91, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on a number of citations to the at least one patent by a national patent office.

93. (previously presented) The system of claim 91, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on a number of patents issued to the company by a national patent office.

94. (previously presented) The system of claim 91, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on the age of the at least one patent.

95. (previously presented) The system of claim 91, wherein each of the intellectual property asset portfolios comprises at least one patent and wherein the value associated with each portfolio is based at least on litigation results associated with the at least one patent.

96. (previously presented) The system of claim 91, wherein the value associated with an intellectual property asset portfolio is determined based on at least one of licensing contracts and revenues.

97. (previously presented) The system of claim 88, wherein the market data comprises a stock price for each of the plurality of companies.

**X. EVIDENCE APPENDIX**

None

**XI. RELATED PROCEEDINGS APPENDIX**

None